



Jordan Times

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Iran rebels say squads hunting Rushdie

LONDON (R) — An Iranian dissident group said Tuesday it had proof that the Tehran government had sent hit-squads to kill author Salman Rushdie, and was behind attacks on his Iranian and Japanese translators. The Baghdad-based Mujahideen-e-Khalq of Iran said the terms had been given to at least nine countries to hunt down dissidents and people associated with Mr. Rushdie's book "The Satanic Verses," viewed by them as blasphemous. A hit-squad arrived in Britain four months ago to carry out the death sentence on Mr. Rushdie imposed by the late Iranian leader, Ayatollah Ruhollah Khomeini, the London spokesman for the Mujahideen-e-Khalq, told a news conference. Other teams had been sent to Italy, Japan, France, Switzerland, Germany, Canada, Germany and Algeria. Iran has denied Mujahideen charges that it has ordered death squads into action against Mr. Rushdie and his colleagues. The Mujahideen, which is bitterly opposed to the Iranian government, produced a tape of a telephone conversation about the hit-squads between a man they said was an aide to President Ali Akbar Hashemi Rafsanjani and another unidentified man.

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AMMAN WEDNESDAY, JULY 24, 1991, MUHARRAM 12, 1412

Soviet Union seeks full IMF membership

WASHINGTON (R) — The Soviet Union has applied to become a full member of the International Monetary Fund (IMF), an organization it once derided as a tool of the capitalist West, international monetary sources said Tuesday. The application is the latest step by Moscow to try to end more than 40 years of self-imposed economic isolation and join the international financial fold. Monetary sources said the United States is unlikely to welcome the news that the Soviet Union has applied for full membership in the IMF. Washington has argued that the membership negotiations could take two years or more and thus delay much-needed economic reforms in the Soviet Union. In contrast, the special associate status proposed by the United States could be put in place quickly — within 30 days or less — and would enable Moscow to draw on the IMF's expertise immediately in reforming its economy. U.S. officials have said, Washington's allies in the Group of Seven — Britain, Canada, France, Germany, Italy, and Japan — endorsed the U.S. proposal at last week's economic summit in London.

Abdul Meguid arrives today

AMMAN (Petra) — Arab League Secretary General Esmat Abdul Meguid arrives in Amman Wednesday on a two-day visit to Jordan as part of a tour of several Arab countries. Dr. Abdul Meguid will hold talks with senior Jordanian officials on the latest developments in the region and efforts aimed at resolving the Arab-Israeli conflict and the Palestinian problem through peaceful means. The secretary general will also discuss in Amman the role of the league in improving Arab relations and healing rifts among Arab states following the Gulf crisis.

Israeli businessmen reject Arab boycott linkage

TEL AVIV (R) — Israeli business leaders Tuesday rejected any link between a freeze on Jewish settlement of the occupied territories and a halt to the Arab economic boycott which has cost the Jewish state \$80 billion. Arab states led by Egypt this week backed proposals by U.S. Secretary of State James Baker to link the two issues. "The boycott existed 20 years before there were settlements. The Western world is wrong in creating a linkage," Dan Gillerman, president of the Israel Chamber of Commerce, told a news conference. "Mr. Gillerman said the boycott had over its 43 years cost Israel 10 per cent of both exports and foreign investment, a total of \$80 billion. Israeli officials have already rejected the proposal, saying the Arab boycott is "illegal and has no connection with settlements. Harry Wall, director of the Anti-Defamation League, urged other countries to follow the lead of the United States where legislation bars companies from honouring the boycott. "Western Europe, Israel's largest trading partner, has shown a highly equivocal attitude towards the boycott," Mr. Wall said. Israel has settled some 100,000 Jews in Arab lands, in contravention of the Geneva conventions.

King Hassan to visit U.S. in September

WASHINGTON (R) — King Hassan II of Morocco has accepted an invitation from President George Bush to visit Washington on Sept. 26, the U.S. administration announced Monday. "The visit reflects the friendly state of long-standing relationship between Morocco and the United States that goes back to the earliest days of American independence," U.S. administration spokesman Martin Fitzwater said in a statement. "Talks between the two leaders are expected to centre on regional and international issues as well as on U.S.-Moroccan ties," Mr. Fitzwater said.

Kuwait plans army of conscripts

KUWAIT (R) — Kuwait is considering conscription to rebuild its army, which was all but wiped out by Iraq's Aug. 2 invasion. Defence Minister Sheikh Ali Sabah Al Salem Al Sabah said in remarks published Tuesday. He told Al Watan newspaper in an interview that the military was 90 per cent destroyed during the invasion. "The idea of building an army based on conscription is being studied," Sheikh Ali said. He gave no further details. The Kuwaiti army, with a pre-invasion strength of 16,000 men, failed to stand up to the Iraqis, who seized the emirate in an overnight attack. The army faces a serious shortage of manpower following a decision by the government to lay off the bedouin or stateless Arabs, who formed the backbone of the armed forces.

One killed by rebel rockets in Kabul

ISLAMABAD (R) — Afghan Mujahideen guerrillas fired two rockets at Kabul, killing one person and injuring five, Afghanistan's Balkhit news agency reported Tuesday. The two ground-to-ground rockets hit residential areas in the capital. Monday, causing extensive damage, the agency said.

Baker awaiting quick Israeli reply to proposal

Shamir expects talks to begin in 'a month or two'

KUALA LUMPUR (Agencies)

— U.S. Secretary of State James Baker, sounding "upbeat and optimistic," said Tuesday he was waiting for a quick reply from Israel on whether it would take part in Middle East peace talks. Mr. Baker told foreign ministers from a dozen nations that during his Middle East tour, he had "received an expression that it (Israel) would give its response shortly," officials present during Mr. Baker's remarks said.

Mr. Baker added that he "did not receive a rejection from Israel," said the officials, who described his remarks as upbeat.

Mr. Baker was briefing foreign ministers at talks between the Association of South-East Asian Nations (ASEAN) and its seven major trade partners — the United States, Japan, the European Community, South Korea, Australia, Canada and New Zealand.

The ASEAN members are Singapore, Thailand, Indonesia, Malaysia, the Philippines and Brunei.

The officials said Mr. Baker's report was hailed by those present.

They quoted Mr. Baker as saying that Israeli Prime Minister Yitzhak Shamir told him Israel would attend the talks provided the Palestine Liberation Organization (PLO) was not present.

Israel said Palestinians acceptable to it from the Israeli-occupied territories could attend the peace talks. Mr. Baker was quoted as saying. He added that Israel also wanted the Palestinians to agree to the existence of an Israeli state.

The officials said Mr. Baker told them that there first would be talks between Israel and the Arabs. The United States and the Soviet Union have reached agreement on co-sponsoring those talks and would attend at the foreign ministers level, they added.

These would be followed by talks between Israel and the Palestinians acceptable to Israel, but excluding the PLO, they said.

Then a larger peace conference would be held among all these parties, together with observers from the European Community and the United Nations, the officials quoted Mr. Baker as saying.

There was no deadline for an Israeli response to the U.S. proposal, Mr. Baker himself told reporters.

He said he would prefer to receive a reply by July 30, when a U.S.-Soviet summit begins in Moscow.

"We continue to work, not just with the government of Israel, but with the government of Jordan and the Palestinians on the question of Palestinian representation," Mr. Baker said.

"And it is contemplated that we would receive a response of some

kind from the Israeli government that would speak to the other elements of the process and the proposal just as we have received responses from other governments."

"Then we will continue to work on whatever other elements exist, pending the actual convening of any conference."

Syria, Egypt, Jordan, Lebanon and Saudi Arabia have approved Mr. Baker's plan for a peace conference.

Israeli Prime Minister Yitzhak Shamir said Monday he saw a "revolutionary change" in Syria's attitude. Israel could not reply until it had received clarification on subjects still under discussion, such as Palestinian representation, he said.

Mr. Shamir, in his most upbeat assessment so far of Middle East peace prospects, Tuesday likened Syria's apparent change of heart to its 1977.

Syria's readiness to talk directly to Israel "is a phenomenon similar to what happened in Egypt with President (Anwar) Sadat when a revolution occurred in his concepts that ultimately led to negotiations with Israel and to peace," Mr. Shamir said in remarks released by his office.

Mr. Shamir also said he was hopeful that "in a month or two, we will sit together with our neighbours' representatives and we will talk."

He was speaking in his office to a delegation of prosecutors from the United States. His remarks were issued by his office, partially indirect quotations and partly in paraphrase.

Until recently, Israeli leaders have expressed great scepticism about the motives of Syria.

After being briefed by Mr. Baker on Syria's position Monday, Mr. Shamir appeared cautiously optimistic. His comparison between Mr. Sadat and Syrian President Hafez Al Assad to be a more emphatic endorsement of Mr. Baker's mission.

"As things look now, I think we are approaching the beginning of negotiations," Mr. Shamir said. He said some problems remained, specifically which Palestinians will attend negotiations, but "we hope these problems can be solved."

The Palestinian representation problem sabotaged Mr. Baker's efforts to promote peace talks last year after Mr. Shamir refused to accept Palestinians from occupied Arab Jerusalem as a negotiation partner.

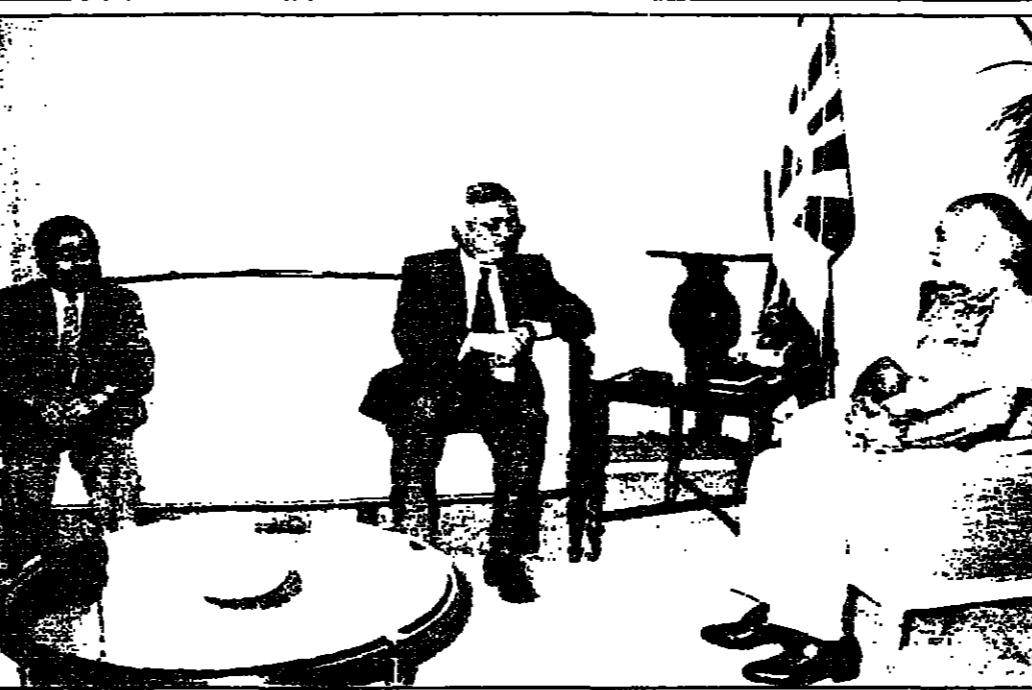
Mr. Baker's comments made it clear he was not prepared to engage in more lengthy talks to clear up this question.

He said several weeks ago he thought he had an agreed basis for Palestinian representation to the talks through the mechanism of a joint delegation with Jordan.

He wants to avoid delaying tactics by Mr. Shamir that could unravel the progress already achieved on the Arab side.

Mr. Baker said Israel needed to decide if it embraced the broad concept proposed by the United States. On Monday, he said the peace process was constructed on the principle "So there is much to be done."

(Continued on page 5)



His Majesty King Hussein Tuesday meets with PLO (centre) and Palestine Ambassador to Tunisia (Petra photo).

U.S. considering easing of sanctions against Iraq

WASHINGTON (Agencies)

— President George Bush, pledging that the United States will not allow innocent women or children in Iraq to suffer, said Tuesday he was considering whether to ease the United Nations embargo against Baghdad.

"We have not resolved yet exactly what we're going to do at the United Nations," Mr. Bush told reporters at the outset of a cabinet meeting.

But his comments seemed to indicate a softening of the hard line U.S. restriction against any letup in the economic embargo of Iraq even as it struggles to recover from its devastating losses in the Gulf war.

The New York Times reported Tuesday that the State Department had drafted a plan to remove some sanctions to allow Baghdad to sell oil to buy food and medicine. It said the proposal was still being circulated inside the government and did not yet have Mr. Bush's approval.

Mr. Bush acknowledged that he planned to discuss the situation in Iraq and the sanctions with his cabinet.

"My view is the U.N. mechanism is clear in terms of helping children and those who may be threatened with either famine or disease. The machinery is in place there," Mr. Bush said.

"It's very clear that Saddam Hussein has not complied with the U.N. resolutions, so we'll see what we can do. We're not trying to hurt any individuals there. Our argument is not with the women or children of Iraq."

He said Iraq has not made restitution to the people of Kuwait or returned the gold taken from that country after the Iraqi invasion last Aug. 2, and he said Baghdad has not made disclosure on possible nuclear developments.

The United States repeatedly said Iraq had not revealed everything about its nuclear program.

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But the United States is not going to see the suffering of innocent women or children there, and there's all kinds of mechanisms to take care of it — its own resources inside the country, possible release of resources outside the country and the matter that's to ease the United Nations embargo against Baghdad.

State Department deputy spokesman Richard Boucher told a news briefing: "They haven't come clear yet."

Iraq provided more information but "we are still very sceptical about their disclosures and believe they have more to tell us," he said.

Asked about the possibility of a renewed use of force against Iraq, Mr. Boucher said: "I wouldn't hazard any guesses or speculations on decisions like that."

U.N. teams have been inspecting Iraqi nuclear facilities and in August other teams will examine Baghdad's biological, chemical and ballistic missile capabilities.

As to activity in the south, Mr. Boucher said "to our knowledge, the U.N. relief workers have not been allowed back...this is simply one more example of Iraq's complete disregard for (its) obligations under the ceasefire agreement and the memorandum of understanding which the government signed."

He added: "We consider this action, impeding the work of U.N. relief workers who are attempting to alleviate the suffering of Iraqi civilians, to be violations of resolution 688." The resolution insists Iraq allow international humanitarian organizations access to the civilian population.

In his report, issued in Geneva July 15, Prince Sadruddin said it was imperative that Iraq's essential civilian needs be met urgently and that "humanitarian and political interests converge in the aversion of catastrophe."

(Continued on page 5)

King and PLO team discuss coordination

AMMAN — His Majesty King Hussein met a Palestinian Liberation Organisation (PLO) delegation Tuesday for talks on the latest U.S. plan for Arab-Israeli peace talks, the Jordan News Agency, Petra reported.

The team, headed by PLO Executive Committee member Mahmoud Abbas, briefed the King on the outcome of his talks in Cairo with Egyptian Foreign Minister Amr Mousa.

The delegation included Hakan Balawi, member of the central committee of the PLO's main stream faction, Fatah. Mr. Balawi is also Palestine's ambassador to Tunisia.

The meeting, which was attended by His Royal Highness Crown Prince Hassan discussed the outcome of U.S. Secretary of State James Baker's visit to Jordan and other countries in the region and peace efforts aimed at resolving the Palestinian problem.

PLO officials have said that the delegation is currently visiting Damascus for talks with Syrian leaders on coordination in peace efforts. That delegation is led by PLO Executive Committee member and Political Department head Farouq Kaddoum.

Syrian Foreign Minister Farouq Al Sharaa met with the delegation Monday. Their talks also believed to have covered relations between the PLO and Syria.

PLO officials have said that the delegation is willing to drop its demand for a direct role in peace talks with Israel as long as it is understood that it has a say in choosing the delegations from the occupied territories. No official statement has been issued by the PLO headquarters in Tunisia.

Lebanese army fires at Israeli warplanes

SIDON, Lebanon (Agencies) — Lebanese army gunners fired anti-aircraft rounds at low-flying Israeli warplanes which buzzed newly disarmed Palestinian refugee camps near this city Tuesday day, an army communiqué reported.

Israeli warplanes regularly fly reconnaissance missions over Lebanon and attack targets at will. In recent years, not once were they opposed by the Lebanese regulars.

The army was withdrawn to its barracks when the civil war broke out in 1975. It later split along sectarian lines with some units joining militia groups fighting each other.

In 1982, when the Israelis invaded Lebanon the army had no orders to confront the air, land and sea forces attacking the country.

Under a peace accord signed in October 1989, President Elias Hrawi's government restructured the 42,000-strong army.

Army units have since been gradually disbanding local and foreign groups that fought the civil war and reasserting government sovereignty.

The army began deploying 11,000 troops in South Lebanon.

(Continued on page 5)

Gorbachev's programme challenges hardliners

MOSCOW (Agencies) — A radical newspaper Tuesday published what was said Mikhail Gorbachev's new programme for the Communist Party, a document that rejects Marxist traditions, respects religious freedom and supports private property.

The draft statement appeared in Nezavisimaya Gazeta (The Independent Newspaper) two days before what is expected to be a stormy plenum of the Communist Party Central Committee.

The draft places Mr. Gorbachev back in the camp of the radical reformers after veering last autumn towards the hardline party traditionalists.

The newspaper said the document can expect support from only about 100 staunch Gorbachev backers in the Central Committee, and raised the possibility that hardliners would try to remove Mr. Gorbachev from his position as party leader.

If the plenum does not approve the programme, the approximately 100 Gorbachev supporters "will approve it on their own, with all the resulting organisational consequences," the newspaper said — an apparent reference to a split in the party leadership.

However, Central Committee member Vladimir Svetozarov told the Associated Press Tuesday the chances of some form of the programme being approved at the plenum were "exceptionally high."

Mr. Svetozarov said the text published by the newspaper was

Prices soar under sanctions and war fears in Iraq

BAGHDAD (AP) — Iraqis are suffering unprecedented distress and pain" because of a U.N. embargo on trade and are demanding the end of the economic blockade, Foreign Minister Ahmad Hussein Khudayer said Tuesday.

His comments were in response to U.S. President George Bush's statements over the weekend about Iraq, and apparently were made before Mr. Bush said Tuesday that he was considering easing the U.N. embargo.

Hoarding caused by fear of a fresh allied air attack on Iraq and shortages caused by U.N. economic sanctions have driven food prices sky high in Baghdad.

Also, as people buy up the country's dwindling supply of American dollars in hopes of going abroad, the price of an Iraqi dinar on the black market has risen in the past few weeks from five of six dinars to up to eight or more.

Mr. Khudayer made no direct reference to the threat by the United States and some of its

Western allies to attack nuclear facilities left standing from the Gulf war if the Iraqi government does not fully disclose all its nuclear secrets.

But the U.N. warning that Iraq must comply with its demands by July 25 or face serious consequences has prompted residents of the capital to begin storing food, cooking gas, and gasoline as they did

Masri, unions discuss employment

AMMAN (Petra) — Prime Minister Taher Masri met Tuesday with a delegation representing the Jordanian labour unions.

The meeting, which was held in the presence of the Minister of Labour and the Prime Minister Affairs' Abdul Karim Daqqaq, discussed the issue of the unions' work in Jordan in light of the government's policy statement presented to the Lower House of Parliament recently, particularly the new labour law that conforms with the democratisation process in Jordan.

Mr. Masri was briefed by members of the delegation on problems facing labour unions and solutions to these problems.

The prime minister stressed what was mentioned on the policy statement regarding labour unions and said he considered this meeting as a starting point for serious work.

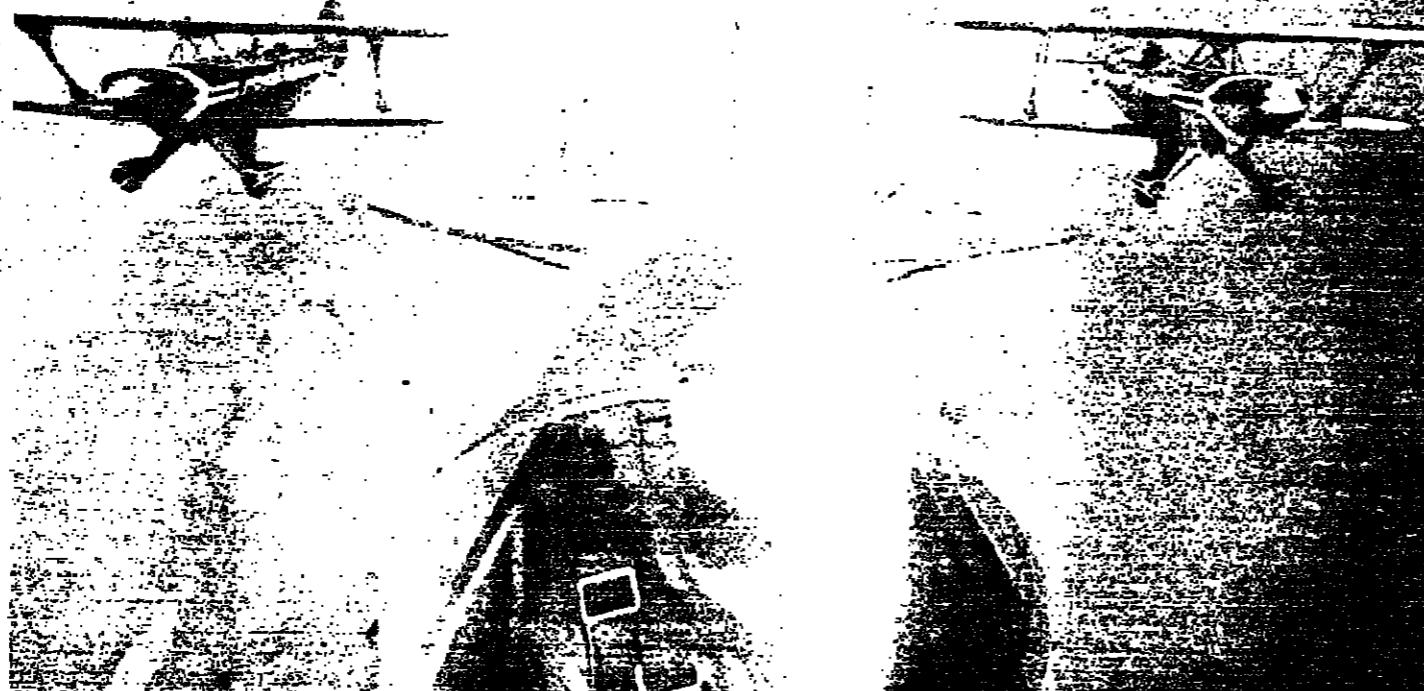
He emphasised the important role the labour unions could play in replacing foreign labourers in Jordan with Jordanian citizens "through breaking up the psychological barrier which stands between them and filling some jobs occupied by foreigners."

Mr. Masri reviewed with the delegation the current situation in the Middle East and the latest developments on the Palestinian issue and the U.S. efforts to solve it.

He affirmed Jordan's principled stand on the Middle East problem, which is based on solving it on the basis of international legitimacy and the implementation of U.N. Security Council Resolutions 242 and 338.

On Monday, Mr. Masri met with the presidents of the Jordanian Professional Associations and discussed with them the role of their associations in serving Jordanian society.

Mr. Masri also reviewed the government's policy statement presented to the Lower House of Parliament recently and the implementation of His Majesty King Hussein's directives.



ROYAL SHOW: The Royal Falcons will perform in honour of King Hussein

Gliding club to mark anniversary of King's accession to the throne

AMMAN (J.T.) — The Royal Jordanian Gliding Club (RJGC) will this year mark the anniversary of His Majesty King Hussein's accession to the throne with a special festival by plane gliders, the first of its kind in the Kingdom, according to an announcement here Tuesday by the club's Director Ziyad Rahahleh.

Lt. Col. Rahahleh told the Jordan News Agency, Petra, that the festival which will be held in the first half of the coming month, will include air and ground shows displaying various types of military and civilian planes.

The festival will be organised for three days at Amman Civil Airport.

According to Lt. Col.

Rahahleh, the RJGC was established in 1986 upon King Hussein's directives and is affiliated to the Royal Air Academy. The present membership, according to Lt. Col. Rahahleh, is 150.

The aim of the club, he said, is to spread knowledge about aviation among the various groups of Jordanian citizens and to encourage them to learn to fly planes through the club.

Those undergoing training normally pay nominal fees for their courses and their number is on the increase, he added.

One of the club's instructors, Riyad Al Tal, said that 200 Jordanians have already been trained in plane gliding. The total num-

ber of people flying in the club's craft to have a view of Amman has now reached 5,000.

The club is willing to expand its operations and offer as many opportunities as possible for all people, Mr. Tal said.

He said that the instructors at the club are all Jordanian pilots with high qualifications who took part in gliding competitions held in Britain and Germany.

The RJGC, according to Mr. Tal, is the second club of its kind in the entire Middle East. Its operations and activities, he said, have received encouragement and support from His Royal Highness Prince Faisal Ibn Al Hussein, who chairs the Club's Board of Directors.

Symposium blames Arab regimes siding with West as main culprits of Gulf war

AMMAN (Petra) — Participants in a two-day-symposium on the Gulf crisis' causes and results Tuesday discussed a working paper dealing with the consequences of the crisis on the Palestine problem.

The Gulf war had its shocking and detrimental effect on the spirit of the Arab and Islamic nations, which felt totally humiliated and in total despair, said the paper presented by Dr. Mohammad Oweida from the University of Jordan.

The Gulf war presented the true nature of the struggle between the Western colonial ideology and culture versus that of the Arab and Islamic nation. It also displayed the Western powers determination to obliterate Arab military strength and dissipate the nation's wealth to keep the Arabs and the Muslims in total disarray so that the United States can be the sole superpower, according to the paper.

The paper also pointed out that the consequences of the war would encourage the Israelis to become more arrogant, taking a more adamant position with regard to peace, particularly in the wake of the end of the Palestinian military presence in Lebanon and Palestinian political strength in the Gulf region.

The paper said the Israelis, who continue to occupy Arab lands with encouragement from the Western nations, are bound to take fresh measures to stifle the Palestinian uprising and accelerate the process of settling Jews in occupied Palestine.

But apart from the war, the Gulf war had its positive effect in that the war exposed to the Arab and Muslim masses those regimes, political parties and groups that used to raise empty slogans, providing them traits to the Arab causes, Mr. Oweida noted in his paper.

Furthermore, the Gulf war resulted in a stronger Israeli stand and a weaker Western position, with regard to Israeli intransigence and showed beyond a doubt the double standard the Western nations adopt with regard to various world issues.

The delegates gathered at the Philadelphia Hotel in Amman, reviewed another paper by Dr. Ahmad Elani from Egypt who discussed the imbalances created in the Middle East as a result of the Gulf war.

U.N. advisor commends Jordan on environmental protection efforts

AMMAN (J.T.) — Unlike most of the Third World countries, Jordan is concerned about protecting the environment and it is to be praised for establishing a special government department to take charge of this matter, according to an advisor to the United Nations Environment Programme (UNDP) now touring Arab countries.

The advisor, Sirrel Khitem Khalifa — who has been touring part of Jordan and meeting with officials to discuss questions related to the protection of the environment, said that many of the Third World's countries are plagued by a heavy population density and lack sufficient means to carry out proper national environmental policies.

Mr. Khalifa told the Jordan News Agency, Petra, that his

current visit to Jordan and the other Arab states was aimed at examining national efforts to promote environmental education in schools and to offer UNEP assistance in protecting the environment.

Jordan has already taken steps towards protecting its environment and Jordanians are showing noticeable concern over pollution, said Mr. Khalifa.

Mr. Khalifa, who earlier met with Minister of Municipal and Rural Affairs and the Environment Salm Al Zoubi and Minister of Education Eid Dahiyat, has been visiting a number of regions where environmental protection projects are being implemented.

He discussed with Mr. Zoubi Jordan's national environment strategy, which will be completed next month.

Mr. Khalifa said that many Third World countries lack awareness about the need to protect the environment and do not provide facilities to U.N. and international organisations which seek to fight pollution. Mr. Khalifa urged Third World nations to cooperate with these organisations to find solutions to environmental issues that plague the world at large.

Referring to the situation in the Gulf and the effects of the war on the environment, Mr. Khalifa said to date there are no surveys and studies proving that the Gulf war had a negative impact on the region's environment as a whole.

Mr. Khalifa is currently on a tour that would take him to Syria, Yemen and Bahrain on similar missions.

HOME NEWS IN BRIEF

King congratulates Egypt

AMMAN (Petra) — His Majesty King Hussein Tuesday sent a cable to Egyptian President Hosni Mubarak to congratulate him on the 39th anniversary of the June 23 Revolution. King Hussein wished Mr. Mubarak continued good health and happiness and the Egyptian people further progress and prosperity.

King meets Armed Forces officials

AMMAN (Petra) — His Majesty King Hussein, the supreme commander of the Jordanian Armed Forces, Tuesday visited the General Command of the Armed Forces where he was received by Chief of Staff Fathi Abu Taleb, his assistants, the commander of the Royal Air Force and the inspector general. King Hussein held a meeting with Gen. Abu Taleb and discussed with him issues of concern to the Armed Forces.

King awards medal to ambassador

AMMAN (Petra) — His Majesty King Hussein Tuesday conferred Al Istiklal Medal of the First Order on the outgoing Bahraini ambassador to Jordan, Ibrahim Ali Ibrahim, in recognition of his efforts in improving Jordanian-Bahraini relations. Mr. Ibrahim was presented with the medal by Foreign Minister Abdullah Ensour at a special ceremony held in his honour at Hotel Jordan Intercontinental.

Deputy requests review of fees

AMMAN (Petra) — Lower House of Parliament Deputy Saad Haddadin of the Madaba constituency has asked the House to review the departure fees paid at Jordanian airports by travellers abroad and to make the fees proportional to the prices of the tickets and the destinations. In a memorandum sent to the House Speaker, Deputy Haddadin also called for

raising the standards of teachers in private sector schools as their counterparts in the government schools and to give them the right to have the "makruman" (university scholarships) to the teachers' sons and daughters.

Lower House to meet

AMMAN (Petra) — The Lower House of Parliament will hold a meeting Wednesday under the chairmanship of House Speaker Abdul Latif Arabiyyat and in the presence of Prime Minister Taher Masri and the cabinet members. The house is scheduled to discuss the legal committee's resolutions on an amendment to the Martyrs Fund Law for the year 1990 and the Penal Codes Law for 1990. The committee met Tuesday under the chairmanship of Deputy Hussein Mijali and approved the National Economy Protection Law after adding to it an article pertaining to ending the regulations of martial law, which was later rejected by the committee.

Chamber to open new office

AMMAN (Petra) — The board of directors of the Amman Chamber of Industry decided to open an office at Amman Industrial Estate in Sabab, south of Amman. The decision aims at facilitating official procedures at the industrial estate and in areas surrounding it. The number of establishments at the industrial estate is estimated at more than 200.

U.N. employees to visit Jordan

AMMAN (Petra) — Lower House of Parliament Deputy Saad Haddadin of the Madaba constituency has asked the House to review the departure fees paid at Jordanian airports by travellers abroad and to make the fees proportional to the prices of the tickets and the destinations. In a memorandum sent to the House Speaker, Deputy Haddadin also called for

PNC speaker announces he will not seek reelection

By Odeh Odeh
Special to the Jordan Times

AMMAN — The speaker of the Palestine National Council (PNC), Sheikh Abdul Hamid Al Sayeh, announced Tuesday that he does not wish to run for the post again in the coming PNC elections, expected to be held in September.

Sheikh Sayeh told Al Ra'i and the Jordan Times that whether serving in a prominent post or in his capacity as an ordinary citizen he would be serving the Palestinian cause. New Palestinian blood will enter the PNC in the coming elections and the new elements will represent all Palestinian groups and sectors, Sheikh Sayeh said.

He stressed that some of the Palestinian factions and popular groups and unions have already started naming their candidates

for the coming PNC membership elections.

But, he said, the new PNC would not include more than 452 members who represent the Palestinian people in and outside the occupied Arab territories.

A special committee preparing for the PNC's coming meeting is due to meet in Tunis in the coming week to pave the way for elections, which are going to be held in the Tunisian capital. The committee, he said, groups representatives of various Palestinian political factions.

Sheikh Sayeh, who resides in Amman, said that the general conditions prevailing in the Palestinian lands and the pressures being exercised on the Palestinian people require the speeding up of the election process. He said that the coming PNC will have to deal with the question of crystallising the

Abdul Hamid Al Sayeh
Palestinian people's national orientation since it serves as the Palestinian Parliament in exile.



Quality of salt produced in Jordan being questioned as foreign firm considers entering local market

By Maha Addasi
Special to the Jordan Times

AMMAN — A great deal of controversy surrounds the question of whether table salt produced in Jordan meets the highest possible standards and if alternative methods of refining salt will improve its quality.

Informed sources at Al Azrak refinery said that many complaints about the salt produced there have been addressed to them. Many complainants claim that the salt is reddish in tinture and not the high quality white colour it should be. But the manager of the Al Azrak refinery, Farhat Al Akraa, said that the salt is of poor quality did not come from Al Azrak.

"There is an amount of salt marketed under the Azrak refinery's name that comes from the Dead Sea area and is marketed illegally. The people doing that are not selling salt that is of good quality. What is happening is that we are getting the blame for the poor quality," Mr. Al Akraa said, adding that these "illegal" producers have been traced and legal action will be taken against them.

Mr. Al Akraa said that Al Azrak refinery was always ready to make their salt better.

"We intended to improve our salt long before we received complaints about poorly processed salt marketed in our name (which) would produce the best possible table salt.

Al Azrak salt refinery in east Amman is the only such refinery in Jordan and it produces 120 tonnes of refined salt daily.

According to Mr. Al Akraa, the average consumption of Jordan is 24 tonnes each day.

Only 12 tonnes of Jordan's salt needs are provided by Al Azrak refinery. The rest is provided by the Arab Potash Company (APC).

"The salt is of very high quality and it is a by-product of potash. The APC markets some of the

JD 8m allocated for improvement of medical services

AMMAN (J.T.) — The government has allocated JD 8 million to carry out the first phase of a plan for the improvement and expansion of health and medical services in the Kingdom, according to Health Minister Mamoud Al Abbadi.

The minister was quoted by Al Ra'i Arabic daily Tuesday as saying that the plan was in line with the new government's policies as pledged before Parliament during the vote of confidence session.

According to the plan, the government plans to set up two new hospitals, one in Yajour between Amman and Zarqa with 100 beds at a total estimated cost of JD 800,000 to boost health services in view of the growing demand.

He said that the first phase of the work is due to start soon.

capacity costing JD 1.5 million.

Also according to the plan, 19 health centres will be set up in different areas this year while new annexes will be added to the Maan and Ghor Al Safi hospitals at the cost of JD 2 million and the other at Deir Abi Saeed in the Irbid Governorate with a 50-bed

COMPUTER GRAPHICS DEMONSTRATION

The French Embassy in Amman & Muhanna Engineering House (MEHCO) have the pleasure to announce the demonstration for Computer graphics provided by Getris Images, a leading French Company in this field.

The demonstration will be held at :

Amra Hotel

Nabatean Suite between 9 a.m. - 1 p.m.

SATURDAY 27TH JULY 1991

Such systems are of great interest for planning architecture, advertising, graphic designers and broadcasting corporations.

The GETRIS-IMAGES system uses direct personnel computer interfaces to drive graphic tablets and video monitors to provide the user with the necessary creative freedom.

They give to all participants the opportunity to produce logos and titles for their companies.

Contacts : Mr. Gerard Blondel Tel. 642878
MEHCO, Tel. 651366, 635355, FAX: 651355

Jordan Times

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Chairman of the Board of Directors:
MAHMOUD AL KAYED

Director General:
MOHAMMAD AMAD

Editor-in-Chief:
GEORGE S. HAWATMEH

Editorial and advertising offices:

Jordan Press Foundation,
University Road, P.O. Box 6710, Amman, Jordan.

Telephones: 667171/6, 670141-4

Telex: 21497 ALRAI JO

Faximile: 661242

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Meeting the needs of Iraq

U.S. President George Bush's statement that Washington is considering easing the international sanctions against Iraq is welcome news coupled with reports that there is consensus among the members of the United Nations Security Council that the Iraqi people stand in urgent need of food and medicine.

It may be a useless exercise to remind the Bush Administration and its anti-Iraq allies in Europe and elsewhere that easing of the sanctions to allow Iraq to raise enough funds to pay for its food and medicine needs should have come much earlier. But judging from the shape of things in the Security Council and indications that a firm decision in favour of Iraq could be as far away as three weeks from now, it is imperative to send the world powers the message that no more feel-dragging could be allowed in ensuring that the Iraqi people meet their urgent needs.

Even today, it could be too late for hundreds of thousands of women and children in Iraq to save themselves from the damages caused by months of malnutrition and shortage of medicine. The situation has already left deep scars in the Iraqi society, and it will take years before any semblance of normality is restored.

It may not mean much to Washington or its allies, but for us in the Arab World it is clear that the innovative spirit and the instinct for survival among the Iraqi people have held the society together for so long under the hard-hitting effects of the sanctions coupled with the devastation that the war has left behind.

We hope that there is enough sincerity and goodwill among the world powers grouped in the Security Council to understand the pressing need to adopt immediate action to ensure that the deterioration of the situation in Iraq is brought to a halt. It is not enough to express words of understanding; what the Iraqi people need is action — urgent action.



ARABIC PRESS COMMENTARIES

Al Ra'i's daily Tuesday reaffirmed Jordan's stand vis-a-vis the economic boycott imposed on Israel and said that Israel's occupation is illegal and that Arabs have the right to take whatever measures necessary to force the aggressors to evacuate occupied lands. The paper said that it is an Arab duty to hold on to the boycott regulations as long as the occupation exists and as long as the Israelis continue to build settlements on Arab-owned land in the West Bank and the Gaza Strip. Judging from the speed in building the Jewish settlements, one can only conclude that the Zionists have no intention of giving up occupied Arab land and are not concerned with the implementation of the international legitimacy and the U.N. Security Council resolutions, the paper noted. Therefore, the paper said, it is only natural for the Arabs to hold on to the regulations of the economic boycott of Israel and it is only just to demand that the Israelis halt the construction of settlements and the evacuation of all occupied Arab territories. These are the minimum demands acceptable to the Arabs who want to see Security Council Resolutions 242 and 338 implemented in full, otherwise there can be no chance for a just peace in the region, the paper continued. Stopping the building of settlements, withdrawal of Israeli troops from occupied Arab territories and respect for the international legitimacy are all rightful demands by the Arabs who have accepted the idea of swapping land for peace, the paper said. The paper said that it is only within this concept that justice can be achieved and peace can be secured.

Despite the atmosphere of optimism created by U.S. Secretary of State James Baker following his talks with the Israeli leaders, it is clear that his mission in Israel was stemmed and he did not secure the Israeli government's acceptance of the U.S. administration's initiative. Al Dastour daily said Tuesday. The paper said that Israel seems to be holding on to its pre-conditions before any peace conference can be convened and it is clear that the United States is allowing the Israelis to have all the time they need before taking a final decision. But, the paper pointed out, that the U.S. administration is allowing that to happen while realising that the Shamir government is only stalling and is not willing to enter the peace negotiations to reach a settlement. The United States, which was pressuring the Arabs to give their replies to its peace initiative, is dealing differently with the Israelis who refuse the American plan and continue to reject the bid for peace, the paper added. In view of the situation, we find ourselves face to face with continued Israeli intransigence and continued occupation and continued building of settlements on Arab land, with the United States condoning such policies and encouraging the Israelis to hold on to the occupied Arab territories, the paper noted. It said that the United States is not benefiting from this golden opportunity to overcome the last stumbling block and achieve peace and security in the region.

Economic Forum

Unemployment again and again

By Dr. Abdalla Malki

NOT only inflation is here to stay, but so is unemployment. This is unfortunately a fact of economic life, that has to be reckoned with if any realistic solutions are to be worked out in order to alleviate these economic woes and make life more tolerable with them.

Annual price increases of less than five per cent are difficult to be attained on a sustainable basis. That is what we mean by saying that inflation is here to stay. Even if that very ambitious goal is attained, we still will have to live with the costs of living, that have become pretty high both on their own and compared with income levels.

Linguistically speaking, full employment is a term which can be entirely deceiving. Finding a job for every job-seeker is virtually not possible, so that the state of full employment refers to a situation where unemployment rate is not more than three per cent, and even not more than five per cent according to certain modern schools of thought. This is what is called the natural rate of unemployment, meaning that at any level of economic activity, there are bound to be persons who do not find jobs for a variety of reasons.

In its ministerial statement, the government made a promise to tackle the problem of unemployment in words which can be easily

misunderstood by the man in the street as to mean that this problem will not be with us in the short or medium terms. The deputies also raised this issue in a context which suggested that they believed the government could really resolve it if only it was serious about that. Both notions are not realistic and misleading. The unemployment problem will not be resolved before our economic policy and development strategy undergo profound change.

The textbook conventional wisdom has it that unemployment is solved through labour-intensive projects. This is right, provided it is correctly interpreted as to duly allow for the particular circumstances of the concerned country. Now, what does this mean to Jordan?

With a very shallow industrial base and potential, obtaining mainly from a narrow domestic market and poor energy sources, any employment "revolution" must start from the agricultural sector. Services constitute another point of departure.

The agricultural diagnosis is very simple. There are plenty of jobs in agriculture which are engaged by imported labour. These jobs suffice to absorb all unemployed Jordanians who shy away from them because our agricultural sector is not modern enough. The working conditions are commonly so harsh and tough to the

extent that Jordanians flock from them away to the "mercy" of unemployment. The modernisation of Jordanian agriculture is what we need. This does not include only technicalities (production methods, varieties, agricultural extension, credit, marketing) but also providing the infrastructure (roads, utilities, etc.) that makes life in our farms, villages and countryside more pleasant. Easy, or easier said? May be. But unemployment also is not an "easy" national problem and it is really worth the effort, money and sacrifice.

The other field of action is services sectors which are labour-intensive by nature. Tourism is the outstanding example. Given the foreign exchange-saving potential of tourism and our present situation of foreign-exchange stringency, the tourism sector may be now the best candidate to be given priority for the sake of tackling the unemployment problem in the short and medium term. Beyond that, other services sectors can make a valuable contribution.

In our estimation, emphasising agriculture and tourism and giving them due development priority can solve our joblessness headache over a period of not less than a decade. But this needs a dramatic shift in our official economic thinking. The alternative is a continuous national nightmare.

Israel faces ultimate question — land or peace

By Alan Elsner
Reuter

KUALA LUMPUR — In its 43 years of existence, Israel has always professed to yearn for one thing above all others — peace talks with its Arab neighbours.

Now Secretary of State James Baker is putting that claim to the ultimate test.

"I think that this is a moment of historic opportunity," Mr. Baker told a news conference in Jerusalem before flying to Malaysia for a meeting with Asian foreign ministers.

"For 43 years, Israel has sought direct negotiations with its neighbours and it has been right to do so," he said.

"And now there is a real opportunity to get to those face-to-face negotiations. Israel now has Arab partners willing to engage in direct negotiations."

By lining up all Israel's important allies behind his proposal for an Arab-Israeli peace conference to be followed immediately by bilateral negotiations, Mr. Baker has challenged Israeli Prime Minister Yitzhak Shamir to prove that peace is indeed his top priority.

Mr. Shamir now faces a difficult choice. Whichever way he turns carries grave political risks.

Saying "yes" to Mr. Baker could ignite a political storm in Israel where many of Mr. Shamir's right-wing supporters fear that negotiations with Arabs would inevitably lead to an Israeli withdrawal from territories captured in the 1967 Middle East war.

Mr. Shamir himself has devoted much of his life and all his

Question Glaspie's superiors

By Leslie H. Gelb

NEW YORK — The real blunderer in the fateful weeks before Iraq's invasion of Kuwait was not Ambassador April Glaspie but President George Bush, and/or top aides acting in his name. The senators who are about to investigate the matter should look beyond the weak messenger to the senders and their message.

Here is what is now evident based on the previously secret telegrams that flashed between Washington and Baghdad one year ago.

First, as Mr. Saddam Hussein's threats against Kuwait mounted, the State Department instructed Ms. Glaspie to give the Iraqis a conciliatory message punctuated with a few indirect but significant warnings.

Second, Ms. Glaspie apparently omitted the warnings and simply slumped all over Mr. Hussein in their meeting on July 25, while the Iraqi leader threatened Kuwait anew.

Third, on July 28, just days before the Iraqi attack, Mr. Bush responded to Mr. Hussein with an echo of the weak Glaspie line. The response lacked even the hints of steel present in the original State Department instructions and, inexplicably, did not mention the 100,000 Iraqi troops spotted on the border.

This all becomes public now as the Senate Foreign Relations Committee, with the long-sought telegrams finally in hand, is poised to skewer Ms. Glaspie. The coming confrontation was triggered last fall when Iraq released a transcript of the Glaspie-Saddam conversation that contained no U.S. warnings.

Summoned before the committee to explain the transcript's accuracy and insisted that she had been tough. Next time, she will stand by that line and say that her telegram, which often contradicts her testimony, focused on Mr. Hussein's thinking and not on her tough

rejoinders. Committee members will find that hard to believe. Her telegram is virtually identical in substance to the Iraqi transcript. And she never flagged the incompleteness of her telegram in previous testimony.

Ms. Glaspie deserves a strong reprimand for her misleading testimony, but the more important story is in the other telegrams.

"On July 28, the State Department wired what it identified as a message to President Saddam from President Bush. State's Arab experts wrote it, no one seems to recall who approved it or if Mr. Bush saw it. 'We believe that differences are best resolved by peaceful means,' it said. 'We will also continue to support our other friends in the region.'

On July 19, State asked Ms. Glaspie to stress friendship with Iraq but also say that the United States was "committed to ensure the free flow of oil from the Gulf and to support the sovereignty and integrity of the Gulf states." Indirect, but good. It went on: "We will continue to defend our vital interests in the Gulf." Better still. It added a nice touch about being "strongly committed to supporting the individual and collective self-defence of our friends in the Gulf..." These points had all been made

the day before by a midlevel State Department official to Iraq's ambassador in Washington. Not exactly a power channel.

A second State cable on July 24 called on Ms. Glaspie to reiterate the standard line about America having "no position" on Arab border disputes, and to warn that settlement of disputes by force was "contrary to U.N. Charter principles." An unexplained softening from the July 19 cable.

Then came the Glaspie cable of July 25, in which she apparently neglected to note U.S. readiness to support the sovereignty of Gulf states and the vital U.S. interests there. "In the spirit of friendship," she asked President Saddam why his troops were on the Kuwait border. Her toughest line.

On July 26, State wired what it identified as a message to President Saddam from President Bush. State's Arab experts wrote it; no one seems to recall who approved it or if Mr. Bush saw it.

"We believe that differences are best resolved by peaceful means," it said. "We will also continue to support our other friends in the region."

Nothing about vital interests, protection of sovereignty, the 100,000 Iraqi troops hovering over Kuwait. Why? Why this further softening in the president's name just as things were heating up? Why never once in this period did a senior administration official deliver a tough warning?

On Feb. 11, almost a month into the war, Secretary of State James Baker was asked if war might have been prevented by strong warnings. "Maybe, you might be able — yes, absolutely," he answered. But that would take "20-20 hindsight," he put in.

Or maybe Mr. Bush and his top aides were blinded by their "friendly" mind-set toward President Saddam and by their attention to a situation they did not comprehend — until there was no choice but war — The New York Times.

crafting a process that fit in with Israel's long-stated demands.

He said the U.S. effort had been designed to do three things: produce direct negotiations, construct a process acceptable to Israel and to foster a positive climate for negotiations.

"In our view we have done all three," he said.

But there were also deeper geopolitical realities. The emergence of the United States as the world's only superpower and the

decline in Soviet power helped persuade Syria to join a process that promised a new relationship with Washington.

The U.S. victory in the Gulf war removed Iraq as a radical Arab voice with real influence that could have focused and channelled rejectionist opinion in the Arab World.

It also created a debt of gratitude to Washington for Saudi Arabia, Kuwait and the other oil-rich Gulf states while almost totally discrediting the Palestine Liberation Organisation.

Liberation Organisation.

With the PLO out of the way, Israel no longer had an excuse to avoid negotiations with local Palestinian leaders from the occupied territories.

The conference itself, should it take place, will inaugurate negotiations that are bound to be long and difficult.

But Mr. Baker now believes he has real momentum. Once the parties are around the table, he believes, nothing in the Middle East will ever be the same again.



Sudan forges ahead with Islamic revolution

By Andrew Hill
Reuter

KHARTOUM — Side by side, the radical leaders of Sudan and Libya bulldozed the gates of Khartoum's notorious Kobar jail this month in a gesture symbolising their common hatred of colonialism and oppression.

Libyan President Muammar Qadhafi was the first to smash through the gates of the British-built prison as Sudan's military ruler, Omar Hassan Al Bashir, announced that all 1,300 inmates had been freed.

The July 21 event made dramatic pictures and gave Sudan's impoverished people something to smile about.

What worries foreign governments, however, is not what the two states are destroying, but what they might build.

Two years after he seized power in an army coup, Lieutenant General Bashir has set Sudan on a radical Islamic course which has cast it adrift from former allies and backers, including Arab and Western governments.

Mr. Qadhafi and Gen. Bashir say they are planning a merger, described by Gen. Bashir as the single most outstanding achievement in Khartoum's relations with the Arab World.

Some diplomats are puzzled by the friendship — Mr. Qadhafi has jailed fundamentalists in his own country. But they see it as part of Mr. Qadhafi's plan to secure allies on his frontiers to pursue his dream of an Islamic Africa through a proxy in Chad. "Chad is the Islamic dagger poised at the heart of Africa," said one diplomat who follows Libyan politics.

Gen. Bashir's other success, he said at celebrations marking the second anniversary of his coming to power on June 30, was to declare Islamic Sharia law over the country of 26 million, about a third of whom are non-Muslims.

Islam, with its own political, economic and social philosophy, represents the basis of ultimate justice as it is the religion of moderation, tolerance and equality. Islam protects the dignity of man as a social being," he said.

His words delight the Muslim Brotherhood, from which the government draws much of its support.

But they alarm Arab and Western governments who see Khartoum as a link in a chain of Islamic fundamentalist activism stretching from Mauritania on Africa's northwest shoulder to the Iranian capital, Tehran and beyond.

Ripples from the Gulf conflict continue to break on the banks of the Nile. Gen. Bashir's government condemned Iraq's invasion of Kuwait but was equally critical of the Saudi and U.S.-led intervention that ended it.

Sudan's relations with Iraq have, if anything, warmed since the war. So too have ties with Iran, Libya and Yemen.

Arab and Western states have cut off aid as a result. Gen. Bashir said. He gave no figures, but Western estimates put the amount lost this year at \$300 million, a large sum for a country which is among the poorest in the world and where 7.5 million people are close to starvation.

Western envoys say they are bewildered by the new government.

"It's difficult to know sometimes whether this is a government pushing religion or religion pushing the state," said one Western ambassador. "Sometimes we don't know who we are really dealing with."

Diplomats agree that Hassan Al Turabi, head of the radical National Islamic Front (NIF), wields enormous power although he is not a member of the Revolutionary Command Council.

But other political prisoners remain — some of them still held in Kobar, the jail that Mr. Qadhafi and Gen. Bashir symbolically "demolished."

Western governments credit Gen. Bashir's administration with trying to talk peace, but see little prospect of it as long as Gen. Bashir continues to fight for a secular state.

They also credit the government with ending personal corruption in a widespread cleanup, and of freeing hundreds of political prisoners, including former Prime Minister Sadeq Al Mabdi who was toppled by Gen. Bashir.

</div

Baker awaits Israeli reply

(Continued from page 1)

of face-to-face bilateral talks that Israel said it had wanted for years. The United States is keen to issue invitation to the peace conference together with the Soviet Union at next week's summit, but Mr. Baker said this was not a deadline for an Israeli response.

"We are not setting deadlines. There are no deadlines. We would like it possible to receive an answer by that time. But if that's not possible, that's not an absolute deadline," he said.

Mr. Shamir's right-hand man meanwhile tempered speculation that the Jewish state would bow to U.S. pressure to accept the peace plan.

Yossi Ben-Aharon, Mr. Shamir's closest adviser and a staunch opponent of Israel exchanging occupied territory for peace, and the issues which scuttled Washington's earlier peace plan still remained, including the make-up of a Palestinian delegation at any peace conference.

"Heaven forbid we should find ourselves sitting opposite representatives who are the PLO," Mr. Ben-Aharon told army radio.

Mr. Shamir, a right-winger who has consistently demanded the right of veto over the composition of a Palestinian peace team, hinted after the visit by Mr. Baker Monday he might eventually say "yes" to

Washington.

But Mr. Ben-Aharon said the Jewish state had to tread carefully.

"I would say there are developments from which one may draw some encouragement but we are speaking of the survival of the state of Israel and its future so we must be cautious."

"We cannot give an answer as yet

for the simple reason that the picture itself as the Americans presented it is not yet complete."

President George Bush wants Israel to respond before the summit in Moscow next week, White House National Security Adviser Brent Scowcroft said Monday.

Mr. Scowcroft said Israel had used

delaying tactics to avoid peace talks in the past but that such manoeuvres would be unacceptable this time.

Israeli political commentators believe it will be difficult for Mr. Shamir to say "no" and risk angering Washington, its main ally and banker. Israel is to ask the U.S. for \$10 billion in loan guarantees in September to settle Soviet Jewish newcomers.

Some commentators believe the shrewd 75-year-old leader will give a "yes" to the conference but ensure that it never meets any real concessions from Israel.

Mr. Ben-Aharon said the Americans were working on the composition of a joint Jordanian-Palestinian delegation which Israel could accept.

Nothing to live for in Gaza

By Katia Sabet

GAZA STRIP — This time of

the year the first sight that greets travellers at Israel's Ben Gurion airport is a mass of brilliant coloured flowers, which flank the freeway as it heads into town. The road passes through well-kept suburbs where apartment blocks are topped with solar panels to trap the sun's energy.

Further on, the landscape gives way to orange groves, with fields of golden wheat stretching as far as the eye can see.

Suddenly the view changes. There are no more flowers and the well-surfaced highway gives way to a badly-kept road full of potholes. Behind a road-block manned by soldiers armed to the teeth lies another world. Here, the houses are crumbling. There are no solar panels, and in some homes, no running water or heat.

At almost every corner are barricades of oil drums, piled about 5-metre-high. The stench of uncollected garbage hovers in the dusty streets.

This is the Gaza Strip, a ribbon

of land 40 kilometres long and 8

kilometres wide, sandwiched between Israel and Egypt on the Mediterranean coast, and entirely fenced off by barbed wire. This modern-day ghetto is home to 750,000 Palestinians, who have lived under the occupation of the Israeli army ever since the Arab-Israeli war in 1967.

Conditions have always been tough here, even before the Israelis came. This corner of the world has been plagued by wars as long as anyone can remember.

But in recent years, the Arab dwellers have had to get used to new kinds of hardship. To the poverty and illness that plague the eight overcrowded refugee camps are added new iron-fisted rules that tighten the Israeli grip on the territory but also push the population to the limit of endurance.

The 8 p.m. curfew and a maze of rules covering every facet of daily life have brought unemployment to 50 per cent of the working-age population, while educational opportunities are practically non-existent.

"We have a lot of problems here," said Klaus Worm, director

general of the United Nations' refugee organisation, the UN Relief and Works Agency (UNRWA) in the Gaza Strip. "The Gulf war has made the situation even more desperate. An unemployment rate of between 40 and 50 per cent would create difficulties in any country, but all the more so here, where the situation has never been very bright."

Long considered, and man-

aged, as a reservoir of cheap,

uneducated labour by the Israe-

lis, the occupied territories as a whole, and Gaza in particu-

lar, are denied even this economic opportunity now.

The Palestinian uprising and the Gulf war have severed the remaining ties between the Jewish and Arab communities, while the financial aid given to Palestinians by wealthy Arabs dried up after the Palestinian leader Yasser Arafat expressed support for Iraqi President Saddam Hussein. "There is a feeling of fear in Israel with regard to Palestinian workers," said Mr. Worm. "The municipalities that used to employ them, as road-sweepers or garbage collectors, have stopped doing so. Of the 80,000 Palestinians who used to travel to Israel every day for work, only about 20,000 continue to do so."

In the Gaza Strip, there is little to fall back on. There are no factories here. "The big companies are not interested in investing in the Gaza Strip," said Mr. Worm. "And even supposing we did manage to find someone who was prepared to set up a factory here, he would first have to steer his way through all the obstacles deliberately placed in his way by the Civil Administration, a routine which can easily cause delays of several years."

To illustrate his point, Mr. Worm cites the example of a new

slaughterhouse in the strip, built by the Palestinian Shawa family, a prominent family in the area.

"It took three years to get permission to build it," said Mr. Worm. Throwing up a barrage of bureaucratic rules and regulations is one of the most successful tactics used by Israel in what Palestinians, and some outsiders, claim is a deliberate scorched

earth policy in the occupied territories. For example, Israel refuses to import vegetables from the Gaza Strip, and tonnes of the zone's main export — citrus fruit — are spoilt each year en route to markets in Jordan and Europe, because Israeli checks and holds-ups delay their journey.

Since the Gulf war ended, Israeli occupation authorities in both the Gaza Strip and the West Bank have begun confiscating land from Palestinian farmers at a rate unprecedented since the 1967 war. Some analysts see it as a punishment for the Palestine Liberation Organisation's support of Iraq. Others believe it may be a last land-grab before Israel is pressured into talks on giving up land for peace.

For the new generation of

Palestinians, the devastating impact of the closure of all universities and most schools by the Israeli administration is just begin-

ning to come to light. Students

who try to escape by going abroad to complete their education face further problems.

"Even if they are granted an exit visa, they will not be allowed back into Gaza for three years," said a Palestinian who works for

UNRWA and who spoke on condition of anonymity. "In the face

of such regulations, most people are forced to abandon their travel plans for financial reasons."

Increased unemployment re-

sults in more dependence on the already stretched welfare system, almost entirely funded by foreign aid.

UNRWA officials report a vast increase in requests for food and medical assistance. "People can no longer afford to pay for a doctor," said one official. With an annual UNRWA budget of just \$56 million, there are likely to be more hardships in the fu-

The Gaza Strip is the place

where the intifada started. A street corner here marks the spot

where the rebellion began three

and a half years ago. It was

triggered by an incident that at

any other time might have gone

almost unnoticed — a car accident involving Israeli soldiers in which four Palestinians died. But

tensions were high, the time was

ripe, and the event sparked off a

popular revolt which came to involve the whole community.

But what began as a stone-

throwing protest against the

occupation army has now lost its

direction, say local Palestinian

leaders. The well-disciplined re-

belling which brought admiration

and sympathy from all over the

world for the plight of the Palesti-

nians has begun degenerating into a type of urban gang warfare,

in which Arab youths have taken

to killing each other.

Human rights groups monitor-

ing the region say groups of

youths wielding knives, axes and

sometimes guns have accounted

for the death of as many as 30

other young Palestinians in the

territories since April. Sometimes

the killings result from rivalries

between factions of the PLO and

Hamas, the Islamic resistance move-

ment. Sometimes the victims are so

filled with hatred that it no longer

matters which way it is directed.

Some Palestinian moderates

say it is time to turn away from

violence and channel energies into

more creative and pressing areas,

such as shaping an infrastruc-

ture for the West Bank and the

Gaza Strip and working to estab-

lish industry and education there.

At a meeting in June, Palesti-

nian intellectuals and politi-

cal activists warned against what

one of them called the "militarisa-

tion" of the intifada and claimed

children and young teenagers should be banned from

taking part in the revolt. They also

suggested calling an end to the

43-month-old, half-day strike by

Arab shopkeepers, maintaining

it was time to build a new

economic future for the occupied

territories.

But here in the Gaza Strip, where

almost every youth has spent

some time in an Israeli jail or

prison camp, and where many

have a brother, a father or a

cousin still behind bars, people



Home to 750,000 Palestinians crammed into eight refugee camps, Gaza looks like a war zone, with streets blocked with oil drums by the Israeli army. (WNL)

him sufficiently are criminals and idiots who should themselves be shot," said one. "That's no way to organise a punitive mission."

The youths show the same listless and despairing attitude in their discussions of the effects of the Gulf war and its significance for their future. Unlike Palestinians living abroad, many of whom continue to back Mr. Arafat's decision to support Mr. Saddam Hussein, young Arabs in the occupied territories say they believe it was a terrible mistake. The prospects of a peaceful settlement and a homeland for the Palestinians are more remote than ever, they say.

"I've always been against the occupation of Kuwait," said a 25-year-old physiotherapy student. "How could I approve of the invasion of a country when my own has been occupied? Saddam has destroyed everything, his people, and all that we had achieved with world public opinion through the intifada. Ours is a people that is dying." — World News Links.



A grade school run by Mary Khass in the Bureij refugee camp is among the few educational facilities still open in Gaza. (WNL)



Mr. Klaus Worm, director of the U.N. Relief and Works Agency in Gaza, estimates the unemployment rate at close to 50 per cent. (WNL)

Washington reconsidering sanctions

(Continued from page 1)

Noting that sanctions on foodstuffs were lifted in March and that medicines were never under sanctions, he added, "there is now a problem about financing that and we'll have to look at it."

We are not in all respects in agreement with some aspects of the report but on the foodstuffs and the medicine and questions of public hygiene, I think there is a general consensus."

The U.N. Security Council's Sanctions Committee was briefed Monday about the plight of Iraqi civilians but did not decide on the proposal to let Iraq sell oil to pay for food and other supplies.

"I have no reason to doubt that

there is an impending serious

shortage of food and medicine in

Iraq which we have all got to

address," Mr. Hannay told reporters.

Asked whether an agreement with Syria on South Lebanon was possible if Israel agreed on the

terms of the self-declared "security zone," Mr. Arens said negotiations would not necessarily concern South Lebanon.

He said he saw no link between U.N. Security Council Resolution 425, which demands an Israeli withdrawal from Lebanon, and other resolutions calling for an Israeli pullout from the occupied West Bank and Gaza Strip.

Asked whether an agreement with Syria on South Lebanon was possible if Israel agreed on the

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Sports

Letko of U.S., Italy's D'Urso follow different paths to gold

SHEDFIELD, England (AP) — Anne Marie Letko took seven seconds off her best time in only her third race of the year to the gold medal Monday in 10,000 metres at the World Student Games.

The 22-year-old Rutgers University student broke from the field in the second of the 25 laps at the Don Valley Stadium and was never caught as she turned in a time of 32:36.87.

By contrast, Italy's Giuseppe D'Urso waited until the last few seconds to snatch his victory.

From fifth place with 40 metres to go, D'Urso stormed through a pack of runners for a dramatic finish and the gold medal in the 800 metres.

Off the track, the U.S. men's and women's basketball teams both made their finals. The men's team breezed past Israel 89-59 to earn a clash with Canada while the women tiptoed past China 79-97 and now meet Spain for the gold.

American teams also advanced to the finals in water polo and men's volleyball.

The water polo team downed Italy 6-4 and plays China for the gold medal while the volleyball squad edged the Soviets 3-2 on sets to advance to a match with Poland in Tuesday's final.

The American track team collected two golds as well as three bronzes on the track as more impressive performances followed Sunday's 100-metre sprint double by Michael Bates and Chryste Gaines.

Maicel Malone won the women's 400 metres in 50.65

seconds, while bronzes went to javelin thrower Paula Berry, Jasmin Jones in the 800 metres and Marlin Cannon in the men's 400 metres.

Cutting her previous best time by seven seconds wasn't enough for Letko, who is slated to compete at the World Championships in Tokyo next month.

"With Tokyo coming up, I thought I could have run a little faster," she said. "It's hard to do running alone, but I wanted to be closer to 32 minutes."

Malone finished 1.41 seconds ahead of second place German Gretha Tromp. While the gap between Tromp and the last runner was only 1.60.

"I knew the other girls were good, so I didn't expect to win so easily," said Malone, who will run on the U.S. 1,600-metre relay team in Tokyo.

Berry heaved the javelin 58.28 metres (191 feet, 2 inches) in her last throw to finish third after being lodged in eighth place after five of the six.

The gold went to Soviet thrower Tatiana Shikolene with 63.56 metres (208 feet, 6 inches) and Cuban Isela Lopez won the silver with 62.32 metres (204 feet, 5 inches).

A Soviet world record holder took the field Monday although not in her favoured event.

Inessa Kravets said she was too tired to take part in Saturday's triple jump. But she leaped 6.33 metres (20 feet, 9 1/4 inches) with her first long jump to qualify for the final with the best mark.

In women's basketball,

Carolyn Jones scored 23 points and Judy Moseley added 20 as the United States subdued China 79-76 to gain a place against Spain.

"This game was back and forth and could have gone either way, but our players responded very well at the end," coach Tara Van Derveer said.

"It wasn't the prettiest game, but we got it done underneath," said Moseley, who grabbed 12 rebounds.

Kyle Kopp and Kirk Everett each scored twice to put the American water polo team into the final.

In the other semifinal, China beat Australia 10-6.

In a see-sawing volleyball semifinal against the Soviets, the American team won 15-11, 11-15, 15-9, 7-15, 15-9, while Poland whipped Algeria 15-2, 15-7.

Meanwhile former javelin world record holder Steve Backley expects to throw over 90 metres for the first time this year when he defends his World Student Games title Thursday.

But he is not aiming to reclaim the record.

Brion Backley said Tuesday trying to set new marks with the latest aerodynamically-assisted javelins was a lottery and he placed more value on winning gold than breaking the 96.96 metres record set by Finland's Seppo Raito last month.

"The record is not my main objective. Winning this title and the World Championship are more important," said the European and Commonwealth champion who was sidelined for two weeks last month with a thigh injury.

"I am in good shape now to throw a long way. I am confident of throwing 90 metres and that should be enough to win here.

"The atmosphere in the team village is electric and that will carry over into the stadium, so getting things up will be no problem."

Backley, who held the record last year with a throw of 90.98 metres using a Nemeth javelin, said the latest models with roughened tails were unpredictable.

"The rough-tails are more of a lottery. Some days it goes, some days it doesn't and I can't work out why," he said.

"There are times when I have everything right on release and I look up to see my javelin falling from the sky. It's very disillusioning.

"So that puts more emphasis on winning championships where everyone can pick from the pool of javelins and the guy who wins is the best thrower."

Earlier this month he said the event was being devalued by technological advances and called for a halt to changing specifications of the javelins. Setting records had lost its credibility, he said.

Backley, whose throw of 88.46 metres last Friday in Edinburgh ranks him third in the world this year behind Raito and Czechoslovak Jan Zelezny, is unlikely to come under pressure from his opponents here but insisted it would not be a one-man show.

Italian Lietti hurt in Tour de France accident

GAP, France (AP) — Italy's Marco Lietti, winner of Monday's stage of the Tour de France, was seriously hurt in an accident en route to the start of Tuesday's stage in the Alps.

Lietti, 27, struck child who ran into the path of his bike, then crashed into a small truck that was part of the tour entourage, witnesses said.

According to preliminary reports, Lietti suffered a broken collarbone. He was taken to a hospital for treatment. Lietti, 75th in the overall standings, won by two seconds over American Greg Lemond on Monday, the 16th of 22 stages.

Meanwhile reports of Lemond's demise may have been grossly exaggerated.

Down from a fall and almost out after some exhausting mountain stages, Lemond rebounded with a surprise breakaway in the final 15 kilometres of the 16th leg. It showed he is not to be counted out — yet.

THE BETTER HALF By Harris

HARRIS

SPORTS NEWS IN BRIEF

Rush to miss start of English season

LONDON (R) — Liverpool striker Ian Rush has an Achilles injury and will miss the start of the English League soccer season next month, his club said Monday. Rush will be in plaster for the next four to six weeks and is expected to need a further two weeks to gain match fitness. The 26-year-old player, scorer of over 300 goals in his professional career, first picked up the injury in June in Wales's 1-0 win over Germany in a European Championship Group 5 game. Liverpool, runners-up to Arsenal in the League last season, begin the new campaign with a home against newly-promoted Oldham Athletic on Aug. 17.

China, Oman draw in Asian Club soccer

DHAKA (AP) — China's Liaoning Football Club drew 1-1 with the Al Nasr Club of Oman in the 10th Asian Club Championship 90 Soccer Tournament Monday. Oman took an early lead through an astute grounder by Muhammad Ali who shot from top of the box in the 31st minute of play. China, the defending champions, netted an equalizer through Gao Xu in the 78th minute. Gao dribbled past two opponents to score a spectacular goal. Seven teams — one each from Iran, China, Indonesia, Oman, North Korea, Thailand and Bangladesh qualified for the last round of the tournament. Jordan, the eighth team to qualify, backed out of the championship before it resumed on July 19. The tournament began in 1990 but was deferred because of the Gulf conflict that led to war early this year. The contesting teams are the top soccer clubs in their respective countries, giving the tournament its name.

Faber defeats Moras in New York

PURCHASE, N.Y. (AP) — Donna Faber, the seventh seed, overtook Christina Moras 5-7, 6-1, 6-2 in the first round of the \$100,000 Westchester Ladies Cup on Monday. Faber, a semifinalist at the Australian Open in January, blamed her opening set loss on poor serves. "I made a lot of mistakes returning serves in the first set," said the 20-year-old American. "Give Christina credit, she took advantage of my errors. "In the second set, I was able to get my first serve in, and that enabled me to take command of the match."

Muster ousts Cherkasov

HILVERSUM, Netherlands (AP) — Unseeded Thomas Muster of Austria crushed third-seeded Soviet Andrei Cherkasov 6-3, 6-3 in the first round of the Dutch Open ATP Tournament Monday. Thierry Champion of France staged the day's other upset, beating seventh-seeded Argentinian Guillermo Perez-Roldan 6-4, 3-6, 7-6. In other clay court action at the Melkhuisje Tennis Centre, No. 5-seeded Goran Prpic of Yugoslavia defeated Karsten Braasch of Germany, 6-3, 7-6.

Caratti eliminated in Canadian Open

MONTREAL (AP) — Canadian Chris Pridham has defeated 11th seeded Cristiano Caratti of Italy in the first round of the \$1.2 million Canadian Open. Caratti was the first seed to fall in the tournament. Pridham defeated Caratti 6-3, 3-6, 7-5 Monday. The Italian had won this year over Ivan Lendl, Jimmy Connors and John McEnroe. In another first-round match, ninth-seeded Richey Reneberg beat Tim Mayotte 6-3, 6-1. The tournament's top eight seeds don't play until the second round starts Wednesday. For Caratti, it was his first hard-court match in four months and it showed. Pridham led 3-0 in the first set and held serve to win. Caratti held through the second set and had a 5-3 lead in the third before he came undone.

In The Groove withdrawn from King George

LONDON (R) — In The Groove will not run in Saturday's King George VI and Queen Elizabeth Diamond Stakes at Ascot, the horse's trainer David Elsworth said Tuesday. Elsworth said the horse had failed to impress in her final pre-race gallop and was "below par." Snurge, last year's English St. Leger winner, was withdrawn from the race Monday. Generous, winner of the Epsom Derby and the Irish Derby this year, remains a clear favourite for Saturday's King George.

JORDAN TIMES, WEDNESDAY, JULY 24, 1991

HOROSCOPE

FORECAST FOR WEDNESDAY JULY 24, 1991

By Thomas S. Pierson, Astrologer, Carroll Righter Foundation

ARIES: (March 21 to April 19) Be off and away to those places or with those persons who mean the most to you, but don't allow a fellow associate to feel you are shirking some duty of yours.

Taurus: (April 20 to May 18) You need to consider what your obligations actually are and then to carry through with them until they are completed today and then tonight be romantic.

Gemini: (May 21 to June 21) Sidestep the family now and make sure you do find out what partners expect of you and reach a new agreement with them through conversations.

MOON CHILDREN: (June 22 to July 21) The many duties facing you are your right ones now so get at them and put off those outside errands until a later and better time.

LEO: (July 22 to August 21) Whatever makes you feel you do not have enough money should be studiously suppressed and you should spend every available moment enjoying yourself.

VIRGO: (August 22 to September 22) You have some fascinating ideas but it is not good since your family expects a great deal of you so put off what you want to do and go along with their wishes.

LIBRA: (September 23 to October 22) Get away from that private anxiety that has been taking so much of your time and see to it that you get out and make new strides into the world of action.

SCORPIO: (October 23 to November 21) This is your time to show your step aside from the opportunities of friends and stick to the practical problems that are now facing you.

SAGITTARIUS: (November 22 to December 21) Whatever personal ideas want expression is fine now so make sure that you do avoid that higher-up which is so demanding and have fun.

CAPRICORN: (December 22 to January 20) This is the day to avoid new interests and to clear up what you have promised to do even though you feel pretty restricted by so doing.

AQUARIUS: (January 21 to February 19) This is your time to live the gregarious Aquarius part of your nature and character and to do nothing that can bring you any criticism.

PISCES: (February 20 to March 20) Get away from that critical partner that has so many commitments to make and attend to worldly interests that require expressiveness and a sense of civic responsibility.

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JUMBLE THAT SCRAMBLED WORD GAME

by Henn Arnold and Bob Lee
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

REWAY

RE WAY RE WAY RE WAY RE WAY

Financial Markets
in co-operation with
Cairo Amman Bank

U.S. Dollar in International Markets

Currency	New York Close Date 22/7/1991	Tokyo Close Date 23/7/1991
Sterling Pound	1.6790	1.6677
Deutsche Mark	1.7620	1.7712
Swiss Franc	1.5255	1.5352
French Franc	5.9815	6.0083 **
Japanese Yen	137.72	137.52
European Currency Unit	1.1655	1.1613 **

* USD Per STC
** European Opening at 2:00 a.m. GMT

Eurocurrency Interest Rates		Date:	23/7/1991	
Currency	1 MTH	3 MTHS	6 MTHS	12 MTHS
U.S. Dollar	5.87	6.06	6.31	6.62
Sterling Pound	11.06	10.87	10.81	10.66
Deutsche Mark	8.75	9.00	9.25	9.25
Swiss Franc	7.68	7.75	7.75	7.62
French Franc	9.12	9.25	9.31	9.45
Japanese Yen	7.31	7.43	7.25	7.15
European Currency Unit	9.75	9.81	9.87	10.00

Interest bid rates for amounts exceeding U.S. Dollars 1,000,000 or equivalent.

Precious Metals		Date:	23/7/1991		
Metal	USD/Oz	JD/Gm ²	Metal	USD/Oz	JD/Gm ²
Gold	367.45	7.05	Silver	4.33	.10

Central Bank of Jordan Exchange Rate Bulletin		Date:	23/7/1991
Currency	Bid	Offer	
U.S. Dollar	.687	.689	
Sterling Pound	1.1661	1.1518	
Deutsche Mark	.3680	.3699	
Swiss Franc	.4479	.4501	
French Franc	.1144	.1158	
Japanese Yen	.4994	.5019	
Dutch Guilder	.3443	.3460	
Swedish Krona	.1071	.1076	
Italian Lira	.0521	.0524	
Belgian Franc	.01901	.01911	

* Per 100

Other Currencies		Date:	23/7/1991
Currency	Bid	Offer	
Bahraini Dinar	1.7850	1.7950	
Lebanese Lira	.0770	.0790	
Saudi Riyal	.1829	.1834	
Kuwaiti Dinar	-	-	
Qatari Riyal	.1856	.1865	
Egyptian Pound	.1900	.2025	
Omani Riyal	1.7500	1.7600	
UAE Dirham	.1856	.1865	
Greek Drachma	.3200	.3400	
Cypriot Pound	1.4150	1.4400	

* Per 100

GDP Indices for Annual Financial Market		Date:	23/7/1991
Index	21/7/1991 Close	22/7/1991 Close	
All-Share	111.03	111.40	
Banking Sector	106.28	106.59	
Insurance Sector	119.58	119.34	
Industry Sector	115.51	115.88	
Services Sector	127.42	128.72	

WORLD STOCK MARKETS

By Reuters

TOKYO — Shares ended easier in quiet, choppy trade with most investors sidelined by lack of factors and the brokerage scandal. The Nikkei closed down 161.07 points at 22,705.29 with just 160 million shares traded.

SYDNEY — Australian shares shrugged off three weeks of inactivity, soaring to 11-month high after local and overseas investors rushed to buy leading stocks. The All Ordinaries Index closed up 17.7 points at 1570.3.

HONG KONG — Stocks closed easier after a generally featureless day dominated by profit-taking of property counters. The Hang Seng index closed down 21.0 points at 3,988.35.

Kuwait lends Syria \$60 m

DAMASCUS (Agencies) — Kuwait agreed Monday to lend Syria \$60 million — its third loan to Damascus since the Gulf war — to build a spinning mill in northern Syria.

Officials said Syria's Planning Minister Sabah Baqaji and Badr Al Humaidhi from the Kuwaiti Fund for Arab Economic Development signed the agreement.

The fund first contributed \$105 million for Damascus sewage scheme and later a \$35 million loan to help Syrians who fled Kuwait after Iraq's invasion last August.

Mr. Humaidhi also met Syrian Prime Minister Mahmoud Zu'bi and discussed the fund's role in developing Arab investment projects.

Syria sent at least 15,000 troops to the U.S.-led allied force in the Gulf which drove Iraqi troops from Kuwait at the end of February.

After signing the loan agreement Monday, Mr. Humaidhi said that Kuwait will try to construct 600,000 telephone lines in Syria before the end of the year and will "seek all means to find work opportunities for Syrian workers in Kuwait."

IMF lends India \$0.2 b

WASHINGTON (R) — The International Monetary Fund (IMF) said Monday that it granted India a \$230 million emergency loan to help the country weather the financial fallout from the Gulf crisis.

The credit is a vote of confidence by the IMF in India's ability to carry out painful economic reforms and should help the cash-strapped country avoid defaulting on its more than \$70 billion in foreign debt.

The IMF said that India has had to pay more for imported oil and has lost revenues from expatriate workers who fled the Gulf since the invasion of Kuwait last August.

New Delhi faces a credit crunch because a collapse in its trade with the Soviet Union and the financial fallout from the Gulf crisis has brought its long-term economic problems of a burgeoning budget deficit and mounting foreign debt to a head.

But the recently-elected minority government of Prime Minister Narasimha Rao has tackled those problems head on.

Mr. Rao has devalued India's currency twice, raised interest rates and outlined a programme challenging the country's socialist, protectionist orthodoxy since taking office last month.

Under the merger pact, Chiron will offer to exchange three-tenths of a share for each outstanding Cetus share. The final price may be subject to certain adjustments.

As part of the transaction, Chiron also will assume about

Suharto renews demand to businessmen to share wealth with the poor

JAKARTA (R) — Indonesian President Suharto has told the nation's leading businessmen that if they do not transfer some of their shares to the country's cooperatives, the law will force them.

"We don't want to commit robbery, though if we wanted to it would be easy," the official Antara News Agency Monday quoted the president as saying.

The government would use the law if businessmen did not voluntarily transfer the shares, Mr. Suharto said.

He first made the demand in a speech to the nation in January 1990.

Mr. Suharto told companies to distribute up to 25 per cent of their shares to cooperatives. Many have handed over barely one per cent.

Many economists have attacked the scheme as impractical and see it as a political sop to counter criticism that the fruits of a fast-growing economy have yet to work their way down to most of the population.

In an interview, Mr. Suharto's half-brother Probosutedjo laid the blame on the country's ethnic Chinese, an economically powerful minority, for preventing the spread of wealth to the indigenous masses whose average annual income is little more than \$500.

Mr. Probosutedjo, a prominent businessman, urged ethnic Chinese, who control most of

the scheme, companies to mix with the rest of society and to be loyal to the interests of the nation, not just to money.

Some economists have said the appeal effectively amounts to charity for the country's thousands of largely inefficient cooperatives.

Under the scheme, companies would lend the money to cooperatives to buy their shares and the dividends would be used for repayment.

Mr. Suharto said Indonesia's corporate wealth was a national asset that should be used to replace scarce government funds to develop the nation.

Total imports reached 1.076 billion riyals (\$2.802 billion) in 1990 compared with 910 million (\$2.370 billion) a year earlier.

Oman Saturday issued its first 10 million riyals (\$26 million) of government development bonds.

The sultanate plans to issue a total of 429 million riyals (\$1.12 billion) of the five-year bonds in 1991-95 to help cover a projected budget deficit. It hopes to raise 137 million riyals (\$357 million) in 1991.

The move gave hope to the bank's Abu Dhabi majority shareholders and its depositors that a rescue plan could be devised.

The coordinated seizure of BCCI assets stemmed from evidence the Bank of England obtained suggesting systematic fraud and unreported losses, raising concern about the safety of deposits within the bank.

Oman earns \$5b from oil exports

SMANAMA, Bahrain (R) — Oman's oil income rose sharply in 1990 because of the Gulf crisis, leading to a substantial rise in the sultanate's trade balance.

Central bank figures show oil revenue rose 39.3 per cent in 1990 to 1,934 billion riyals (\$5.036 billion) from 1,388 billion (\$3.615 billion) the previous year.

Oman produces around 700,000 barrels per day of oil and income accounts for more than 75 per cent of total revenue.

Oil prices rose to more than \$21 a barrel in the second half of 1990 on fears the Gulf confrontation sparked by Iraq's invasion of Kuwait could lead to a cut in oil supply from major producing countries.

The increase in Oman's oil revenue helped its trade balance rise to 1,034 billion riyals (\$2.693 billion) in 1990 from 646 million (\$1.682 billion) in 1989.

The central bank figures published in Al Markazi Magazine showed total exports and reexports reached 2.110 billion riyals (\$5.495 billion) in 1990 against 1,556 billion (\$4.052 billion) in 1989.

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New audit reveals wide BCCI fraud

The newspaper also said that BCCI, with principal offices in Luxembourg, Abu Dhabi and the Cayman Islands, may have been used by Islamic Jihad, a Shiite Muslim extremist group believed to be holding Western hostages in Lebanon.

Prime Minister John Major has declined to comment on the Times report.

Parts of the report were made public in court Monday on orders of vice-chancellor Sir Nicolas Browne-Wilkinson, the judge hearing a Bank of England application for prompt liquidation of BCCI's operations.

Gabriel Moss, a lawyer for the Bank of England, advised the court that Price Waterhouse concluded that BCCI, which operated in more than 70 countries at its peak, "may never have been profitable in its entire history."

Yugoslav leaders fear civil war as peace efforts collapse

OHRID, Yugoslavia (R) — Yugoslav leaders said Tuesday they feared all-out war after the collapse of peace talks and the worst fighting between rival Serbs and Croats since World War II.

The state presidency, the heads of the six republics and government leaders issued statement after peace talks in this lakeside resort that made clear they were still divided over how to end violence sweeping breakaway Croatia.

About 20 people were killed in eastern Croatia Monday in fighting between the Roman Catholic Croats and the Orthodox Serbian minority who oppose the republic's secessionist moves.

Croatian officials said sporadic shooting broke out overnight in eastern Croatia and six National Guardsmen were wounded in an attack in the village of Laslovo. Two bomb explosions were reported in the town of Osijek.

Tanjug News Agency said Croatian police attacked Yugoslav army units early Tuesday near a bridge between the republics of

Serbia and Croatia. The army fired back with artillery but Tanjug mentioned no new casualties.

"Yugoslavia is experiencing its most dramatic moments. Conflict among its nationalities and confrontations among its republics threaten all its people with civil war and catastrophic consequences," the leaders said in a statement, released after Monday's peace talks.

Croatian President Franjo Tudjman stormed out of the Ohrid summit and convened an emergency session of his Supreme Council of military and civilian leaders after failing to persuade the presidency to return the federal army to barracks in Croatia.

He accused federal army officers deployed in Croatia of helping Serbian guerrillas in fighting that has killed scores of people since Croatia declared independence together with the neighbouring republic of Slovenia on June 25.

More than 30 people have been killed in the last four days.

"It is a question of solving this critical situation, which is now in

face one of war," Mr. Tudjman, seething with anger, told Croatian television.

"I address Croatia's people to call on them to be composed and resolute so they do not succumb further provocations ... But they should also be ready to face, within days perhaps, even all-out war in defence of Croatia."

The violence in Croatia and fighting between Slovenia and the federal army which killed 64 people in one week has plunged Yugoslavia into a crisis that threatens the 72-year-old Balkan state with collapse.

Serbian President Slobodan Milosevic said that even at the eleventh hour, Croatia had insisted on conditions that prevented agreement on how to resolve the crisis.

"Now everyone will have to face the consequences and take responsibility for the fate of their own people," Mr. Milosevic said as he left Ohrid.

Serbs and Croats, who comprise more than half of Yugoslavia's 23.5 million people, are old enemies but violence between them has increased since Croatia declared independence.

U.S. aide to visit Hanoi to check photo

KUALA LUMPUR (R) — The United States will send a senior official to Vietnam to investigate a mystery photograph purporting to show three American servicemen who went missing in the Vietnam war, a senior U.S. official said Tuesday.

Deputy Assistant Secretary for Asian Affairs Ken Quinn will go to Vietnam to investigate, the official told reporters.

Relatives of the three Americans in the photograph, who were listed in Vietnamese and U.S. files as killed in plane crashes in the 1960s, said the men were being held alive somewhere

in Cambodia.

U.S. records indicate 2,273 American servicemen never made it home alive or dead from the Vietnam war. Of that total, Washington says the fate of only 62 is unresolved, involving men believed to have survived plane crashes or been taken prisoner.

Vietnam says those men are all dead.

The U.S. government still does not talk with Cambodian officials about the fate of Americans lost since the Indochina war and MIA activists actually interfere with the search for servicemen's re-

mains, the head of a war commission said Tuesday.

"We regard this as a humanitarian issue but the United States always sees it as political," Long Visalo, deputy foreign minister and chairman of the Cambodian MIA (missing-in-action) Commission, told Reuters.

The United States refuses to recognise the Vietnamese-backed Phnom Penh government and supports the small non-Communist Khmer People's National Liberation Front, allies of the Khmer Rouge in the 12-year-old civil war here.

"We don't, of course, condone what is happening there," said Thai Foreign Minister Arsa Sarasin. "But, simply, we cannot change them by putting pressure on them."

Mr. Arsa said isolating Burma would not help.

"We feel strongly that we ought to engage them, talk to them, reason with them and (make them) feel that in the future there will be a country that can contribute toward the peace and stability of South East Asia," he said.

Thailand was joined in rejecting the U.S. call for pressure by the five other members of the Association of South East Asian Nations (ASEAN) — The Philippines, Malaysia, Indonesia, Singapore and Brunei.

Representatives of the countries are conferring in Kuala Lumpur this week with ASEAN's major trade partners.

Robert B. Zoellick, U.S. under secretary of state, told the meeting of states, told the meeting Monday, "without our efforts, the people of Burma will suffer longer. Undeveloped and undemocratic, Burma will poison the region with narcotics and remain a cancer of instability."

Meanwhile Japan has indicated to South East Asian nations it is ready to play a more prominent role in regional security, but defense analysts say the region may not be ready for Tokyo's higher profile.

"This is a very bold proposal on the part of Japan," said Murugesu Pathmanathan, political scientist at the University of Malaya. "It reflects a post-Gulf war Japan more willing to be involved in security matters."

There were no details on how the money was spent. But anti-apartheid groups have repeatedly accused the government of clandestine operations ranging from political propaganda campaigns to death squads that targeted government opponents.

Mr. De Klerk's cabinet held a second day of talks Tuesday at an undisclosed location to discuss homes, demand weapons be handed in and ban people from the city if the government believes they are a threat to public order.

Business Day, the country's leading financial daily, said money allocated to the secret services account was \$80 million rand (\$140 million) this year and totaled 1.5 billion rand (\$600 million) since 1987.

The newspaper said the account was established in 1978 with a mandate to provide "services of a secret nature determined ... as being in the national interest."

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Mr. De Klerk, who took office two years ago, says he ordered payments to Inkatha stopped last year following an internal investigation into covert government operations.

He also called for such activities to be kept to an "absolute minimum."

But Business Day said the \$80 million rand (\$140 million) approved for secret operations this year is the largest amount yet.

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